

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Fulton Financial Corporation		2 Issuer's employer identification number (EIN) 23-2195389	
3 Name of contact for additional information Mark R. McCollom	4 Telephone No. of contact 717-327-2567	5 Email address of contact Mmccollom@fult.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact One Penn Square		7 City, town, or post office, state, and ZIP code of contact Lancaster, PA 17602	
8 Date of action July 1, 2022		9 Classification and description Fulton Financial Corporation Common Stock	
10 CUSIP number 360271100	11 Serial number(s)	12 Ticker symbol FULT	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► On July 1, 2022, Fulton Financial Corporation ("Fulton") completed its acquisition of Prudential Bancorp, Inc. ("Prudential") through the merger of Prudential with and into Fulton (the "Merger") pursuant to the terms of a definitive merger agreement ("Merger Agreement"). Prudential shareholders exchanged their Prudential common stock into a right to receive 0.7974 of a share of Fulton common stock and \$3.65 in cash. Fulton will not issue fractional shares as a result of the Merger. In lieu of each fractional share that would otherwise be issued, Fulton will pay in cash an amount equal to the fraction of a share of Fulton common stock which would otherwise a Prudential shareholder be entitled to receive multiplied by \$18.25.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See Attachment

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See Attachment

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►

Internal Revenue Code Sections 302, 318, 354, 356, 368 and 1001.

18 Can any resulting loss be recognized? ► **Prudential shareholders generally may not recognize any loss for U.S. federal income tax purposes as a result of the Merger, except with respect to cash, if any, received in lieu of fractional shares of Fulton Common Stock.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► **The Merger and resulting stock exchange became effective July 1, 2022. For a Prudential shareholder whose taxable year is a calendar year, the reportable tax year is 2022.**

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

Brian T. DeMild

Date ►

August 12, 2022

Print your name ► **Brian T. DeMild**

Title ► **SVP, Corporate Tax Director**

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

ATTACHMENT TO IRS FORM 8937
FULTON FINANCIAL CORPORATION'S ACQUISITION OF PRUDENTIAL BANCORP, INC.
ON JULY 1, 2022

Item 15. Description of the Quantitative Effect of the Organizational Action:

The Merger is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as amended. As such, in general the tax basis consequences to Prudential shareholders would be determined under Section 358 of the Code. The effect of the Merger on the tax basis on Prudential common stock ("Prudential Stock") held by a Prudential shareholder is summarized as follows:

Prudential Shareholders receive a mix of Stock Consideration and Cash Consideration

The receipt by a Prudential shareholder of a combination of Fulton common stock and cash in exchange for Prudential common stock affects such shareholder's tax basis. Generally, the aggregate tax basis of Fulton common stock received by the Prudential shareholder in the Merger will be equal to the aggregate adjusted tax basis of the shares of Prudential common stock surrendered, reduced by the amount of cash received by the Prudential shareholder pursuant to the Merger (excluding any cash received in lieu of a fractional share of Fulton common stock) and increased by the amount of gain (excluding gain or loss resulting from any fractional share deemed received and exchanged for cash), if any, recognized by the Prudential shareholder on the exchange. The amount of gain recognized is the lesser of (A) the amount of gain realized (i.e., the excess of the sum of the amount of cash and fair market value of Fulton common stock received pursuant to the Merger over the shareholder's aggregate tax basis in the shares of Prudential common stock surrendered, and (B) the amount of cash received pursuant to the Merger (excluding any cash received in lieu of a fractional share of Fulton common stock).

The receipt by a Prudential shareholder of cash in lieu of a fractional share of Fulton common stock generally will be treated as if the fractional share had been distributed to the Prudential shareholder in connection with the Merger and then sold for cash in a taxable transaction. Gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the portion of the stockholder's aggregate adjusted tax basis in the shares of Fulton common stock received in the Merger that is allocable to the fractional share. The gain or loss generally will be long-term capital gain or loss if the holding period of the corresponding Prudential common stock surrendered is more than one year at the effective time of the Merger. The deductibility of capital losses is subject to limitations.

Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the facts. United States federal income tax law does not specifically prescribe how you should determine the fair market value of Fulton common stock for purposes of allocating your tax basis. You should consult your tax advisor to determine what measure of fair market value is appropriate.

There are several possible methods for determining the fair market value of Fulton common stock. One possible approach is to utilize the market closing price on June 30, 2022, the last full day of trading prior to the Merger, which was \$14.45 per share of Fulton common stock on the Nasdaq. Other approaches to determine fair market value may also be possible. You should consult your tax advisor to determine the appropriate method.

Item 16. Description of the Calculation of the Change in Basis:

We caution that is not tax advice and is provided solely as guidance. Prudential shareholders should consult with their own tax advisor if they have any questions.

The following is an illustrative example of how the basis of a hypothetical former Prudential shareholder would determine his or her basis in Fulton Financial Corporation common stock received in the Merger.

This example does not address any special rules that may apply to a particular shareholder (including shares received as compensation), nor does it address the consequences of any state, local or foreign tax laws.

Shareholders receive a mixed of Stock Consideration and Cash Consideration.

- Shares of Prudential Stock held prior to the Merger: 1,000
- Prudential shareholder's aggregate adjusted tax basis, per share: \$10.00
- Aggregate tax basis in Prudential Stock: \$10,000.00
- Prudential shareholder to receive 797 shares of Fulton Financial Stock *(1,000 shares of Prudential common stock multiplied by 0.7970, rounded down to the nearest whole share)*
- Fractional shares of Fulton common stock of which cash of \$7.30 was paid in lieu of 0.400 fraction shares. *(\$18.25 multiplied by 0.400 share)*
- Cash Consideration received in the Merger: \$3,650.00 *(1,000 shares of Prudential common stock multiplied by \$3.65 in cash per share)*
- FMV per share of Fulton shares received in the Merger: \$14.45
- FMV for Fulton common stock for purpose of determining fractional share payments: \$18.25

1	Cost Basis in Prudential Stock:	(1,000 x \$10.00)	\$ 10,000.00
2	Total Merger Consideration		
	Fulton Stock	(797 x \$14.45)	\$ 11,516.65
	Cash Received	(1,000 x \$3.65)	\$ 3,650.00
	Value of Fractional Shares	(0.400 x \$18.25)	<u>\$ 7.30</u>
			\$ 15,173.95
3	Realized Gain:		\$ 5,173.95
4	Recognized Gain:	(lesser of realized gain and cash received pursuant to the Merger)	
	Cash Received, per share		\$ 3,650.00
	Value of Fractional Shares		<u>\$ 7.30</u>
			\$ 3,657.30
5	Aggregate Adjusted Tax Basis of Fulton Common Stock Received		
	Cost Basis in Prudential Stock:		\$ 10,000.00
	(A) Subtract: Cash Received Pursuant to the Merger		\$ (3,650.00)
	(B) Add: Amount of Gain Recognized		<u>\$ 3,650.00</u>
	Aggregate Adjusted Tax Basis		<u>\$ 10,000.00</u>
	(A) Excludes cash received in lieu of fractional share.		
	(B) Excludes gain or loss resulting from any fractional share deemed received and exchanged for cash.		